

City of Annapolis FY 2006 Proposed Budget All Funds Summary

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equities, revenues and expenditures/expenses. Budgets for the following funds are included in this document:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Enterprise Funds - The Enterprise Funds are used to account for those activities of the City which are financed and operated in a manner similar to private business enterprises where costs and expenses, including depreciation, are recovered principally through user charges. Individual operations which the City of Annapolis has designated as Enterprise Funds include the Water, Sewer, Off Street Parking, Dock, Market, Transportation, Stormwater Management and Refuse Funds. A description of the individual activities of each Enterprise Fund are given later in this section of the budget.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources and expenditures applied to the construction of capital facilities and major purchased items for all governmental fund types.

The following tables summarize the FY 06 Proposed budget for the General and Enterprise Funds.

<i>FY 2006 Proposed Revenues and Expenditures By Fund</i>	<i>Revenues</i>	<i>Expenditures</i>	<i>Difference</i>
General	\$43,427,350	\$43,048,000	\$379,350
Water	3,922,890	3,922,890	0
Sewer	5,061,630	5,061,630	0
Off Street Parking	2,575,000	2,104,760	470,240
Dock	965,000	655,370	309,630
Market	75,000	70,820	4,180
Transportation	3,410,000	4,211,540	(801,540)
Stormwater Management	283,910	283,910	0
Refuse	2,440,000	2,801,860	(361,860)
Grand Total	\$62,160,780	\$62,160,780	\$0

**City of Annapolis FY 2006 Proposed Budget
All Funds Summary**

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<i>Revenues</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Estimated</i>	<i>FY 2006 Proposed</i>	<i>Percent Change</i>
Taxes	\$20,248,310	\$21,590,750	\$23,790,000	10.19%
Licenses and Permits	1,980,930	2,312,100	2,112,000	-8.65%
Intergovernmental Revenues	13,624,640	13,008,800	14,560,000	11.92%
Charges for Services	15,613,040	16,875,500	17,493,000	3.66%
Fines and Forfeitures	1,296,410	1,324,500	1,425,000	7.59%
Money and Property	1,248,950	1,505,740	2,222,350	47.59%
Other Financing Sources	979,030	908,300	558,430	-38.52%
Total Revenues	\$54,991,310	\$57,525,690	\$62,160,780	8.06%

<i>Expenditures</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Estimated</i>	<i>FY 2006 Proposed</i>	<i>Percent Change</i>
Personnel	\$36,132,220	\$37,680,240	\$39,909,850	5.92%
Other Operating Expenditures	14,966,120	13,475,670	13,874,060	2.96%
Capital Outlays	108,470	107,000	35,000	-67.29%
Debt Service	5,298,970	5,489,670	5,038,660	-8.22%
Other Expenditures	(2,323,760)	(110,890)	1,251,820	-1228.88%
Contribution to CIP	2,033,950	884,000	2,051,390	132.06%
Total Expenditures	\$56,215,970	\$57,525,690	\$62,160,780	8.06%

**City of Annapolis FY 2006 Proposed Budget
All Funds Summary**

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<i>Expenditures by Department</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Estimated</i>	<i>FY 2006 Proposed</i>	<i>Percent Change</i>
Mayor and Aldermen	\$2,757,590	\$2,816,940	\$2,973,730	5.57%
Finance	2,232,930	2,470,140	2,425,410	-1.81%
Human Resources	574,080	677,470	656,200	-3.14%
Planning & Zoning	1,161,720	1,255,690	1,305,550	3.97%
Central Services	1,680,770	1,733,290	2,268,980	30.91%
Police	12,986,860	13,411,950	14,184,570	5.76%
Fire	8,764,930	8,339,580	9,352,620	12.15%
Neighborhood & Environ. Programs	1,560,100	1,590,650	1,759,880	10.64%
Public Works	13,181,550	13,206,930	12,894,510	-2.37%
Recreation & Parks	2,630,590	2,616,860	2,673,130	2.15%
Transportation	3,675,690	3,143,410	3,324,330	5.76%
Other Expenditures	(2,323,760)	(110,890)	1,251,820	-1228.88%
Debt Service	5,298,970	5,489,670	5,038,660	-8.22%
Contribution to CIP	2,033,950	884,000	2,051,390	132.06%
Total Expenditures	\$56,215,970	\$57,525,690	\$62,160,780	8.06%

FY 2004 - 2006 Budget Comparison by Fund

The following tables compare the FY 2004, FY 2005 and FY 2006 Budgeted revenue and expenditure budgets for all funds.

<i>Revenues by Fund</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Proposed</i>
General	\$37,339,250	\$39,754,490	\$43,427,350
Water	3,782,910	3,798,560	3,922,890
Sewer	5,104,320	5,020,720	5,061,630
Off Street Parking	2,005,690	2,122,800	2,575,000
Dock	876,500	926,500	965,000
Market	116,770	102,000	75,000
Transportation	3,298,000	3,150,000	3,410,000
Stormwater Management	0	240,620	283,910
Refuse	2,401,000	2,410,000	2,440,000
Grand Total	\$54,924,440	\$57,525,690	\$62,160,780

<i>Expenditures by Fund</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>FY 2006 Proposed</i>
General	\$37,339,250	\$39,754,490	\$43,048,000
Water	3,782,910	3,798,560	3,922,890
Sewer	5,104,320	5,020,720	5,061,630
Off Street Parking	1,705,690	1,437,410	2,104,760
Dock	671,240	629,180	655,370
Market	116,770	102,000	70,820
Transportation	3,727,010	3,888,030	4,211,540
Stormwater Management	0	240,620	283,910
Refuse	2,477,250	2,654,680	2,801,860
Grand Total	\$54,924,440	\$57,525,690	\$62,160,780

**General Fund
Revenues - by Source
FY 2004 - FY 2006**

Property Taxes

The real property assessment, at 100%, used to calculate the FY 2006 tax revenue budget is \$3,750,000,000. This is a 23.6% increase over the FY 2005 assessment, at 100%, of \$3,034,000,000. The proposed tax rate for FY 2006 is 56.0 cents, which is a 2.0 cents decrease from the adopted rate for FY 2005, per \$100 of full property value. The proposed personal property rate remains the same at \$1.66.

<i>Property Taxes</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Estimated</i>	<i>FY 2006 Proposed</i>
Real Property: Revenues from taxes on assessed value real estate including land, structures, and improvements.	\$17,960,670	\$19,000,000	\$21,200,000
Personal Unincorporated: Revenues from taxes on assessed valuation of inventory, furnishings, and fixtures of unincorporated businesses.	63,430	87,500	87,000
Personal - Public Utility: Revenues from taxes on assessed valuation of inventory, furnishings, and fixtures of public utilities.	919,790	920,250	920,000
Personal Corporation: Revenues from taxes on assessed valuation of inventory, furnishings, and fixtures of incorporated businesses.	1,191,990	1,470,000	1,470,000
Penalties and Taxes: Interest paid on delinquent taxes.	112,430	113,000	113,000
Total Property Taxes	\$20,248,310	\$21,590,750	\$23,790,000

**General Fund
Revenues - by Source
FY 2004 - FY 2006**

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Licenses and Permits

These budgeted increases are based on FY 2004 actual revenue, FY 2005 projections, and the general trend of some of these revenue sources. Other non-business licenses decrease is due to reallocation of revenues to the Sewer Fund for waste water discharge charges.

<i>Licenses and Permits</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Estimated</i>	<i>FY 2006 Proposed</i>
Street Use: Fees charged for the use of City street and sidewalk surfaces.	\$93,870	\$100,600	\$101,000
Residential Parking Permits: Revenue from permits issued for parking in residential areas.	73,820	69,800	70,000
Sidewalk Cafes: Fees charged for the use of City sidewalks for restaurants that have sidewalk cafes.	7,500	8,100	8,000
Alcoholic Beverage Licenses: Revenues from licenses issued to allow sale of beer, wine, and liquor.	191,160	206,300	206,000
Traders Licenses: Fees collected from local businesses by the State and returned to the City.	80,790	81,000	81,000
Vendor-Huckster Licenses: Revenue from licenses issued for utility contractors and peddlers.	69,550	92,000	92,000
Towing Licenses: Fees from licenses issued to towing contractors.	50	100	0
Amusements Licenses: Fees charged by the City to operate various types of amusements.	2,850	4,200	4,000
Building Permits: Revenue from permits issued for building construction/electrical work; plumbing, sewer, water, and gas connections.	811,400	950,000	950,000
Cable TV Franchise Fees: Franchise fees for cable television at 5% of gross receipts.	434,370	450,000	450,000
Other Non-Business Licenses: Revenue from the issuance of local licenses and permits not elsewhere classified.	144,270	350,000	150,000
Total Licenses and Permits	\$1,909,630	\$2,312,100	\$2,112,000

**General Fund
Revenues - by Source
FY 2004 - FY 2006**

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Intergovernmental Revenues

Although it is likely that the City will receive various grants from other agencies, some have not been included in the FY 2006 budget because the application and acceptance process have not yet been completed. The Police Protection Grant is based on a formula that is calculated by the State.

<i>Intergovernmental Revenues</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Estimated</i>	<i>FY 2006 Proposed</i>
Other Federal Grants: U.S. Environmental Protection Agency grants for habitat restoration and FEMA grants.	202,780	100,000	164,000
U.S. Department of Justice Grants: U.S. Department of Justice grants that fund certain costs of local law enforcement and citizen participation in an effort to make communities safer.	84,720	0	0
Police Protection Grant: City's share of State funds allocated to municipalities for police protection.	1,013,120	1,119,400	1,146,000
BMC Planning Grant: Subsidization of transportation planning activities and salary reimbursement, administered by the Baltimore Metropolitan Council and funded by various federal and state agencies.	33,470	0	0
Critical Area Grant: Assistance to local governments in carrying out their responsibilities under the Chesapeake Bay Critical Area Protection Program, administered by the Critical Area Commission, State of Maryland Department of Natural Resources.	12,000	0	0
HotSpots Grants: State payments to support HotSpots neighborhood and youth programs.	76,600	0	0
Miscellaneous State Grants: Revenue from other state grants that are not listed separately.	619,840	600,000	750,000
Highway Taxes: City's share of gasoline tax and motor vehicle registrations collected by the State.	1,333,670	635,200	1,950,000
Income Taxes: City's share of income tax received by the State for returns filed from Annapolis.	3,998,210	3,950,000	3,950,000
Admissions Receipts: Taxes on admissions are returned to municipalities by the State on the basis of the amount collected.	672,910	900,000	700,000

**General Fund
Revenues - by Source
FY 2004 - FY 2006**

- continued -

<i>Intergovernmental Revenues</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Estimated</i>	<i>FY 2006 Proposed</i>
State Payment in Lieu of Taxes: Revenue received from the State of Maryland in lieu of taxes for fire and police services.	417,000	417,000	367,000
County - 911 Revenue: Revenue received from a portion of the County grant to support the "911" emergency calling system.	169,270	199,000	199,000
Miscellaneous County Grants: Revenue from various grants from Anne Arundel County that are not listed separately.	25,420	13,200	13,000
Electricity: The City's share of sales tax collected on electricity use.	187,970	190,700	190,700
Gas: The City's share of sales tax collected on natural gas use.	26,730	28,500	28,500
Telephone: The City's share of sales tax collected on telephone use.	251,910	257,500	257,500
Fuel: The City's share of sales tax collected on fuel oil use.	4,060	3,300	3,300
Hotel-Motel Tax: Revenue from 7% tax levied on room receipts in the City of Annapolis.	1,527,390	1,780,000	1,780,000
County Payment In Lieu of Taxes: Revenue received from Anne Arundel County in lieu of taxes for fire protection coverage of the Annapolis Neck Peninsula.	583,500	590,000	636,000
Total Intergovernmental Revenues	\$11,240,570	\$10,783,800	\$12,135,000

**General Fund
Revenues - by Source
FY 2004 - FY 2006**

- continued -

Charges for Services

An increase in filing fees is expected over those of FY 05 due to additional zoning fee revenues.

<i>Charges for Services</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Estimated</i>	<i>FY 2006 Proposed</i>
Filing Fees: Charges for services relating to zoning such as map enhancements, text amendments, and use permits.	\$42,720	\$25,200	\$75,000
Rental Unit Licenses: Revenue received for licenses issued to operate a rental dwelling unit.	358,470	400,000	400,000
Fire Safety Inspection Fees: Revenue received from inspections of buildings to ensure that they meet all fire safety requirements concerning life safety.	11,220	18,000	18,000
Parking Meter Fees: Revenues from hourly parking meters located in the downtown area.	578,740	601,000	600,000
Recreation Program Fees: Revenues from fees for various recreation programs and classes.	321,420	290,000	320,000
Recreation-Latchkey Fees: Revenue from before and after school day care programs.	312,290	363,000	330,000
Total Charges for Services	\$1,624,860	\$1,697,200	\$1,743,000

Fines and Forfeitures

An increase in other fines is expected to be 16.5% over those of FY05 mainly due to red light cameras located in the City.

<i>Fines and Forfeitures</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Estimated</i>	<i>FY 2006 Proposed</i>
Parking Violations: Revenues from parking violation fines.	\$805,710	\$800,000	\$825,000
Municipal Infractions: Revenues received from fines for municipal infractions.	18,660	4,500	19,000
Confiscated Funds: Cash and personal items seized under current law by City Police during the commission of a crime.	107,040	150,000	150,000

**General Fund
Revenues - by Source
FY 2004 - FY 2006**

- continued -

<i>Fines and Forfeitures</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Estimated</i>	<i>FY 2006 Proposed</i>
Other Fines: Revenue from other miscellaneous fines and late charges on payment of fines.	365,000	370,000	431,000
Total Fines and Forfeitures	\$1,296,410	\$1,324,500	\$1,425,000

Use of Money and Property

Interest revenue on the short-term investment of cash balances is expected to remain low through FY 06. Rents revenue is expected to increase due to increased rent payments from Eisenhower Golf Course.

<i>Use of Money and Property</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Estimated</i>	<i>FY 2006 Proposed</i>
Interest Income: Interest received from the investment of City funds.	\$254,770	\$400,000	\$300,000
Rents: Revenue from the rental of City property.	193,450	190,000	250,000
Contributions and Donations: Revenue from miscellaneous contributions and donations to fund City activities.	94,750	120,000	120,000
Payments in Lieu of Taxes: Revenues received under special legal agreements with certain entities in lieu of the regular property tax assessment.	\$119,780	\$152,140	\$150,000
Payment for Police Services: Revenues from special dedicated police services.	130,330	100,000	120,000
Miscellaneous Revenues: Revenues not accounted for elsewhere.	174,140	200,000	200,000
Total Use of Money and Property	\$967,220	\$1,162,140	\$1,140,000

**General Fund
Revenues - by Source
FY 2004 - FY 2006**

- continued -

Other Financing Sources

Proceeds from other financing sources such as the disposal of fixed assets are not usually budgeted but are part of the actual proceeds for the year.

<i>Other Financing Sources</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Estimated</i>	<i>FY 2006 Proposed</i>
Operating Fund Transfers: Revenues from miscellaneous operating fund transfers.	7,160	0	0
Appropriated Fund Balance: This is not an actual revenue; however it is a source of funding relied upon in balancing the budget. This funding source provides pay-as-you-go funding support for the Capital Improvements Program. \$1,082,350 of the general fund balance has been appropriated in FY 2006 to support pay-go project funding.	0	884,000	1,082,350
Total Other Financing Sources	\$7,160	\$884,000	\$1,082,350

**City of Annapolis FY 2006 Proposed Budget
General Fund**

<i>Expenditures</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Estimated</i>	<i>FY 2006 Proposed</i>	<i>Percent Change</i>
Personnel	\$30,060,780	\$31,423,010	\$33,407,720	6.32%
Other Operating Expenditures	8,126,560	7,308,830	6,898,820	-5.61%
Capital Outlays	14,970	52,000	20,000	-61.54%
Debt Service	2,668,060	2,797,000	2,431,600	-13.06%
Other Expenditures	* (3,495,920)	* (2,710,350)	* (1,761,530)	35.01%
Contribution to CIP	807,250	884,000	2,051,390	132.06%
Total Expenditures	\$38,181,700	\$39,754,490	\$43,048,000	8.28%

<i>Expenditures by Department</i>	<i>FY 2004 Actual</i>	<i>FY 2005 Estimated</i>	<i>FY 2006 Proposed</i>	<i>Percent Change</i>
Mayor and Aldermen	2,277,220	2,363,660	2,513,320	6.33%
Finance	2,232,930	2,470,140	2,425,410	-1.81%
Human Resources	574,080	677,470	656,200	-3.14%
Planning & Zoning	1,161,720	1,255,690	1,305,550	3.97%
Central Services	946,740	991,190	1,037,050	4.63%
Police	12,986,860	13,411,950	14,184,570	5.76%
Fire	8,764,930	8,339,580	9,352,620	12.15%
Neighborhood & Environ. Programs	1,560,100	1,590,650	1,759,880	10.64%
Public Works	5,067,140	5,066,650	4,418,810	-12.79%
Recreation & Parks	2,630,590	2,616,860	2,673,130	2.15%
Debt Service	2,668,060	2,797,000	2,431,600	-13.06%
Other Expenditures	* (3,495,920)	* (2,710,350)	* (1,761,530)	35.01%
Contribution to CIP	807,250	884,000	2,051,390	132.06%
Total Expenditures	\$38,181,700	\$39,754,490	\$43,048,000	8.28%

* The negative dollar amount is the result of the credit to the General Fund for indirect administrative costs allocated to each enterprise fund.